

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D. C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 30, 2024

Dana Incorporated
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-1063
(Commission
File Number)

26-1531856
(IRS Employer
Identification Number)

3939 Technology Drive, Maumee, Ohio 43537
(Address of principal executive offices) (Zip Code)

(419) 887-3000
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

| Title of Each Class | Trading Symbol | Name of Each Exchange on which Registered |
|-------------------------------|-------------------|--|
| Common Stock, \$.01 par value | DAN | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Items 2.02 and 7.01 Results of Operations and Financial Condition and Regulation FD Disclosure

Dana Incorporated today issued a news release announcing its results for the quarter ended September 30, 2024. A copy of the press release is attached hereto as Exhibit 99.1.

The information in this report is being “furnished” and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, is not subject to the liabilities of that section and is not deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits. The following item is furnished with this report.

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 99.1 | Dana Incorporated Press Release dated October 30, 2024 |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL) |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DANA INCORPORATED

Date: October 30, 2024

By: /s/ Douglas H. Liedberg
Name: Douglas H. Liedberg
Title: Senior Vice President, General Counsel
and Secretary

News Release



IMMEDIATE

**Dana Incorporated Reports 2024 Third-Quarter Financial Results,
Reports Strong Third-Quarter Profit Margin
Maintains Full-Year Free Cash Flow Guidance**

- Sales of \$2.48 billion
- Net income of \$4 million
- Adjusted EBITDA of \$232 million
- Adjusted EBITDA margin of 9.4 percent, a 30-basis-point improvement compared with 2023
- Full-year free cash flow guidance maintained at \$100 million

MAUMEE, Ohio, Oct. 30, 2024 – Dana Incorporated (NYSE: DAN) today announced financial results for the third quarter of 2024.

“Dana achieved 30 basis points of profit-margin improvement in the third quarter despite lower sales as a result of softening demand for both EV and traditional programs across our end markets,” said Chairman and CEO Jim Kamsickas.

“Dana’s ability to flex our cost structure and generate efficiencies from our global business and operating systems through the current adverse market conditions is allowing us to continue driving toward our profitability goals. Despite market cyclicality, we remain focused on the technology innovations required to meet the needs of our customers and secure long-term, profitable growth.”

Sales for the third quarter of 2024 totaled \$2.48 billion, compared with \$2.67 billion in the same period of 2023. Weakening market demand for electric vehicles, commercial trucks, off-highway equipment, and certain light-truck programs drove lower sales.

Adjusted EBITDA for the third quarter of 2024 was \$232 million or 9.4 percent of sales, compared with \$242 million or 9.1 percent of sales for the same period in 2023. Company-wide efficiency improvements and cost-savings actions offset the margin impact of lower sales, inflation, and spending on development for electric-vehicle products.

Net income attributable to Dana was \$4 million, or \$0.03 per share, compared with \$19 million, or \$0.13 per share, in the third quarter of 2023.

Adjusted net income attributable to Dana was \$18 million, and diluted adjusted earnings per share were \$0.12 for the third quarter of 2024, compared with adjusted net income of \$43 million and \$0.30 per share in 2023.

Operating cash flow in the third quarter of 2024 was \$35 million, compared with \$112 million in the same period of 2023. Free cash flow was a use of \$11 million, compared with a use of \$5 million for the third quarter of 2023.

“Lower end-market demand is driving our reduced sales and profit expectations for the remainder of the year,” said Timothy Kraus, Senior Vice President and Chief Financial Officer. “Targeted cost-savings actions and reduced capital expenditures will position us well for continued profit and cashflow improvements into next year.”

Revised 2024 Financial Targets

- Sales of \$10.2 to \$10.4 billion;
- Adjusted EBITDA of \$855 to \$895 million, an implied adjusted EBITDA margin of approximately 8.5 percent at the midpoint of the range;
- Operating cash flow of approximately \$465 to \$485 million; and
- Free cash flow of \$90 to \$110 million;
- Diluted EPS of \$0.05 to \$0.25;
- Diluted Adjusted EPS of \$0.75 to \$0.95.

Dana to Host Conference Call at 9 a.m., Wednesday, Oct. 30

Dana will discuss its third-quarter results in a conference call at 9 a.m. EDT on Wednesday, Oct. 30. The conference call can be accessed by telephone from both domestic and international locations using the information provided below:

Conference ID: 9943139

Participant Toll-Free Dial-In Number: 1 (888) 440-5873

Participant Toll Dial-In Number: 1 (646) 960-0319

Audio streaming and slides will be available online via a link provided on the Dana investor website: www.dana.com/investors. Phone registration will be available beginning at 8:30 a.m. EDT.

A webcast replay can be accessed via Dana's investor website following the call.

Non-GAAP Financial Measures

Adjusted EBITDA is a non-GAAP financial measure which we have defined as net income (loss) before interest, income taxes, depreciation, amortization, equity grant expense, restructuring expense, non-service cost components of pension and other postretirement benefit costs and other adjustments not related to our core operations (gain/loss on debt extinguishment, pension settlements, divestitures, impairment, etc.). Adjusted EBITDA is a measure of our ability to maintain and continue to invest in our operations and provide shareholder returns. We use adjusted EBITDA in assessing the effectiveness of our business strategies, evaluating and pricing potential acquisitions and as a factor in making incentive compensation decisions. In addition to its use by management, we also believe adjusted EBITDA is a measure widely used by securities analysts, investors and others to evaluate financial performance of our company relative to other Tier 1 automotive suppliers. Adjusted EBITDA should not be considered a substitute for earnings (loss) before income taxes, net income (loss) or other results reported in accordance with GAAP. Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

Adjusted net income (loss) attributable to the parent company is a non-GAAP financial measure which we have defined as net income (loss) attributable to the parent company, excluding any discrete income tax items, restructuring charges, amortization expense and other adjustments not related to our core operations (as used in adjusted EBITDA), net of any associated income tax effects. This measure is considered useful for purposes of providing investors, analysts and other interested parties with an indicator of ongoing financial performance that provides enhanced comparability to net income (loss) attributable to the parent company reported by other companies. Adjusted net income (loss) attributable to the parent company is neither intended to represent nor be an alternative measure to net income (loss) attributable to the parent company reported in accordance with GAAP.

Diluted adjusted EPS is a non-GAAP financial measure which we have defined as adjusted net income (loss) attributable to the parent company divided by adjusted diluted shares. We define adjusted diluted shares as diluted shares as determined in accordance with GAAP based on adjusted net income (loss) attributable to the parent company. This measure is considered useful for purposes of providing investors, analysts and other interested parties with an indicator of ongoing financial performance that provides enhanced comparability to EPS reported by other companies. Diluted adjusted EPS is neither intended to represent nor be an alternative measure to diluted EPS reported in accordance with GAAP.

Free cash flow is a non-GAAP financial measure which we have defined as net cash provided by (used in) operating activities less purchases of property, plant and equipment. We believe free cash flow is useful to investors in evaluating the operational cash flow of the company inclusive of the spending required to maintain the operations. Free cash flow is not intended to represent nor be an alternative to the measure of net cash provided by (used in) operating activities reported in accordance with GAAP. Free cash flow may not be comparable to similarly titled measures reported by other companies.

The accompanying financial information provides reconciliations of adjusted EBITDA, diluted adjusted EPS and free cash flow to the most directly comparable financial measures calculated and presented in accordance with GAAP. We have not provided a reconciliation of our adjusted EBITDA and diluted adjusted EPS outlook to the most comparable GAAP measures of net income (loss) and diluted EPS. Providing net income (loss) and diluted EPS guidance is potentially misleading and not practical given the difficulty of projecting event driven transactional and other non-core operating items that are included in net income (loss) and diluted EPS, including restructuring actions, asset impairments and certain income tax adjustments. The accompanying reconciliations of these non-GAAP measures with the most comparable GAAP measures for the historical periods presented are indicative of the reconciliations that will be prepared upon completion of the periods covered by the non-GAAP guidance.

Forward-Looking Statements

Certain statements and projections contained in this news release are, by their nature, forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on our current expectations, estimates, and projections about our industry and business, management's beliefs, and certain assumptions made by us, all of which are subject to change. Forward-looking statements can often be identified by words such as "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "may," "will," "should," "would," "could," "potential," "continue," "ongoing," and similar expressions, and variations or negatives of these words. These forward-looking statements are not guarantees of future results and are subject to risks, uncertainties, and assumptions that could cause our actual results to differ materially and adversely from those expressed in any forward-looking statement.

Dana's Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K, and other Securities and Exchange Commission filings discuss important risk factors that could affect our business, results of operations and financial condition. The forward-looking statements in this news release speak only as of this date. Dana does not undertake any obligation to revise or update publicly any forward-looking statement for any reason.

About Dana Incorporated

Dana is a leader in the design and manufacture of highly efficient propulsion and energy-management solutions that power vehicles and machines in all mobility markets across the globe. The company is shaping sustainable progress through its conventional and clean-energy solutions that support nearly every vehicle manufacturer with drive and motion systems; electrodynamic technologies, including software and controls; and thermal, sealing, and digital solutions.

Based in Maumee, Ohio, USA, the company reported sales of \$10.6 billion in 2023 with 42,000 people in 31 countries across six continents. With a history dating to 1904, Dana was named among the “World’s Most Ethical Companies” for 2023 and 2024 by Ethisphere and as one of “America’s Most Responsible Companies 2023” by *Newsweek*. The company is driven by a high-performance culture that focuses on valuing others, inspiring innovation, growing responsibly, and winning together, earning it global recognition as a top employer. Learn more at dana.com.

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Contact: Craig Barber
+1-419-887-5166
craig.barber@dana.com

DANA INCORPORATED
Consolidated Statement of Operations (Unaudited)
For the Three Months Ended September 30, 2024 and 2023

| (In millions, except per share amounts) | Three Months Ended | |
|---|-----------------------|-----------------------|
| | September 30, 2024 | September 30, 2023 |
| Net sales | \$2,476 | \$ 2,669 |
| Costs and expenses | | |
| Cost of sales | 2,231 | 2,433 |
| Selling, general and administrative expenses | 130 | 126 |
| Amortization of intangibles | 3 | 3 |
| Restructuring charges, net | 24 | 17 |
| Adjustment of loss on disposal group previously held for sale | 4 | |
| Other income (expense), net | (4) | 1 |
| Earnings before interest and income taxes | 88 | 91 |
| Interest income | 4 | 5 |
| Interest expense | 40 | 41 |
| Earnings before income taxes | 52 | 55 |
| Income tax expense | 43 | 33 |
| Equity in earnings of affiliates | 2 | 3 |
| Net income | 11 | 25 |
| Less: Noncontrolling interests net income | 7 | 8 |
| Less: Redeemable noncontrolling interests net loss | — | (2) |
| Net income attributable to the parent company | \$ 4 | \$ 19 |
| Net income per share available to common stockholders | | |
| Basic | \$ 0.03 | \$ 0.13 |
| Diluted | \$ 0.03 | \$ 0.13 |
| Weighted-average shares outstanding - Basic | 145.0 | 144.3 |
| Weighted-average shares outstanding - Diluted | 145.1 | 144.7 |

DANA INCORPORATED
Consolidated Statement of Operations (Unaudited)
For the Nine Months Ended September 30, 2024 and 2023

| (In millions, except per share amounts) | Nine Months Ended | |
|--|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Net sales | \$7,949 | \$8,061 |
| Costs and expenses | | |
| Cost of sales | 7,205 | 7,325 |
| Selling, general and administrative expenses | 401 | 410 |
| Amortization of intangibles | 10 | 10 |
| Restructuring charges, net | 41 | 21 |
| Loss on disposal group previously held for sale | (26) | |
| Other income (expense), net | (4) | 10 |
| Earnings before interest and income taxes | 262 | 305 |
| Loss on extinguishment of debt | | (1) |
| Interest income | 10 | 14 |
| Interest expense | 118 | 114 |
| Earnings before income taxes | 154 | 204 |
| Income tax expense | 134 | 118 |
| Equity in earnings of affiliates | 7 | 6 |
| Net income | 27 | 92 |
| Less: Noncontrolling interests net income | 17 | 17 |
| Less: Redeemable noncontrolling interests net loss | (13) | (2) |
| Net income attributable to the parent company | \$ 23 | \$ 77 |
| Net income per share available to common stockholders | | |
| Basic | \$ 0.16 | \$ 0.53 |
| Diluted | \$ 0.16 | \$ 0.53 |
| Weighted-average shares outstanding - Basic | 144.9 | 144.2 |
| Weighted-average shares outstanding - Diluted | 145.0 | 144.5 |

DANA INCORPORATED
Consolidated Statement of Comprehensive Income (Unaudited)
For the Three Months Ended September 30, 2024 and 2023

| (In millions) | Three Months Ended | |
|--|--------------------|----------------|
| | 2024 | 2023 |
| Net income | \$ 11 | \$ 25 |
| Other comprehensive income (loss), net of tax: | | |
| Currency translation adjustments | 14 | (24) |
| Hedging gains and losses | (7) | (21) |
| Defined benefit plans | 1 | (1) |
| Other comprehensive Income (loss) | 8 | (46) |
| Total comprehensive income (loss) | 19 | (21) |
| Less: Comprehensive income attributable to noncontrolling interests | (7) | (7) |
| Less: Comprehensive loss attributable to redeemable noncontrolling interests | — | 4 |
| Comprehensive income (loss) attributable to the parent company | <u>\$ 12</u> | <u>\$ (24)</u> |

DANA INCORPORATED
Consolidated Statement of Comprehensive Income (Unaudited)
For the Nine Months Ended September 30, 2024 and 2023

| (In millions) | Nine Months Ended September 30, | |
|--|------------------------------------|--------------|
| | 2024 | 2023 |
| Net income | \$ 27 | \$ 92 |
| Other comprehensive income (loss), net of tax: | | |
| Currency translation adjustments | (52) | (6) |
| Hedging gains and losses | (35) | (3) |
| Defined benefit plans | 6 | |
| Other comprehensive loss | (81) | (9) |
| Total comprehensive income (loss) | (54) | 83 |
| Less: Comprehensive income attributable to noncontrolling interests | (16) | (16) |
| Less: Comprehensive loss attributable to redeemable noncontrolling interests | 17 | 4 |
| Comprehensive income (loss) attributable to the parent company | \$ (53) | \$ 71 |

DANA INCORPORATED
Consolidated Balance Sheet (Unaudited)
As of September 30, 2024 and December 31, 2023

| (In millions, except share and per share amounts) | September 30, 2024 | December 31, 2023 |
|--|-----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 419 | \$ 529 |
| Accounts receivable | | |
| Trade, less allowance for doubtful accounts of \$11 in 2024 and \$16 in 2023 | 1,463 | 1,371 |
| Other | 227 | 280 |
| Inventories | 1,714 | 1,676 |
| Other current assets | 231 | 247 |
| Total current assets | 4,054 | 4,103 |
| Goodwill | 263 | 263 |
| Intangibles | 160 | 182 |
| Deferred tax assets | 518 | 516 |
| Other noncurrent assets | 176 | 140 |
| Investments in affiliates | 126 | 123 |
| Operating lease assets | 304 | 327 |
| Property, plant and equipment, net | 2,258 | 2,311 |
| Total assets | \$ 7,859 | \$ 7,965 |
| Liabilities, redeemable noncontrolling interests and equity | | |
| Current liabilities | | |
| Short-term debt | \$ 23 | \$ 22 |
| Current portion of long-term debt | 212 | 35 |
| Accounts payable | 1,689 | 1,756 |
| Accrued payroll and employee benefits | 269 | 288 |
| Taxes on income | 62 | 86 |
| Current portion of operating lease liabilities | 44 | 42 |
| Other accrued liabilities | 417 | 373 |
| Total current liabilities | 2,716 | 2,602 |
| Long-term debt, less debt issuance costs of \$21 in 2024 and \$24 in 2023 | 2,436 | 2,598 |
| Noncurrent operating lease liabilities | 270 | 284 |
| Pension and postretirement obligations | 323 | 334 |
| Other noncurrent liabilities | 366 | 319 |
| Total liabilities | 6,111 | 6,137 |
| Commitments and contingencies | | |
| Redeemable noncontrolling interests | 205 | 191 |
| Parent company stockholders' equity Preferred stock, 50,000,000 shares authorized, \$0.01 par value, no shares outstanding | — | — |
| Common stock, 450,000,000 shares authorized, \$0.01 par value, 144,978,881 and 144,386,484 shares outstanding | 2 | 2 |
| Additional paid-in capital | 2,274 | 2,255 |
| Retained earnings | 283 | 317 |
| Treasury stock, at cost (831,871 and 474,981 shares) | (13) | (9) |
| Accumulated other comprehensive loss | (1,066) | (990) |
| Total parent company stockholders' equity | 1,480 | 1,575 |
| Noncontrolling interests | 63 | 62 |
| Total equity | 1,543 | 1,637 |
| Total liabilities, redeemable noncontrolling interests and equity | \$ 7,859 | \$ 7,965 |

DANA INCORPORATED
Consolidated Statement of Cash Flows (Unaudited)
For the Three Months Ended September 30, 2024 and 2023

| (In millions) | Three Months Ended | |
|---|--------------------|---------------|
| | 2024 | 2023 |
| Operating activities | | |
| Net income | \$ 11 | \$ 25 |
| Depreciation | 97 | 101 |
| Amortization | 5 | 6 |
| Amortization of deferred financing charges | 1 | 1 |
| Earnings of affiliates, net of dividends received | (1) | (1) |
| Stock compensation expense | 7 | 5 |
| Deferred income taxes | (11) | (16) |
| Pension expense, net | 5 | 2 |
| Change in working capital | (66) | 3 |
| Adjustment of loss on disposal group previously held for sale | (4) | |
| Other, net | (9) | (14) |
| Net cash provided by operating activities | 35 | 112 |
| Investing activities | | |
| Purchases of property, plant and equipment | (46) | (117) |
| Proceeds from sale of property, plant and equipment | 3 | (2) |
| Settlements of undesignated derivatives | (1) | (6) |
| Other, net | 16 | (13) |
| Net cash used in investing activities | (28) | (138) |
| Financing activities | | |
| Net change in short-term debt | 4 | 2 |
| Proceeds from long-term debt | 1 | |
| Repayment of long-term debt | (5) | (3) |
| Dividends paid to common stockholders | (14) | (14) |
| Distributions to noncontrolling interests | (12) | (7) |
| Contributions from redeemable noncontrolling interests | | 1 |
| Other, net | | 1 |
| Net cash used in financing activities | (26) | (20) |
| Net decrease in cash, cash equivalents and restricted cash | (19) | (46) |
| Cash, cash equivalents and restricted cash - beginning of period | 440 | 503 |
| Effect of exchange rate changes on cash balances | 14 | (17) |
| Cash, cash equivalents and restricted cash - end of period | \$ 435 | \$ 440 |

DANA INCORPORATED
Consolidated Statement of Cash Flows (Unaudited)
For the Nine Months Ended September 30, 2024 and 2023

| (In millions) | Nine Months Ended | |
|--|-------------------|---------------|
| | 2024 | 2023 |
| Operating activities | | |
| Net income | \$ 27 | \$ 92 |
| Depreciation | 304 | 287 |
| Amortization | 16 | 17 |
| Amortization of deferred financing charges | 4 | 4 |
| Write-off of deferred financing costs | | 1 |
| Earnings of affiliates, net of dividends received | (4) | (4) |
| Stock compensation expense | 21 | 19 |
| Deferred income taxes | 18 | (46) |
| Pension expense, net | 1 | 4 |
| Change in working capital | (261) | (169) |
| Loss on disposal group previously held for sale | 26 | |
| Other, net | (4) | (7) |
| Net cash provided by operating activities | <u>148</u> | <u>198</u> |
| Investing activities | | |
| Purchases of property, plant and equipment | (227) | (359) |
| Proceeds from sale of property, plant and equipment | 7 | |
| Settlements of undesignated derivatives | (5) | (10) |
| Other, net | 20 | (14) |
| Net cash used in investing activities | <u>(205)</u> | <u>(383)</u> |
| Financing activities | | |
| Net change in short-term debt | | (15) |
| Proceeds from long-term debt | 1 | 458 |
| Repayment of long-term debt | (35) | (207) |
| Deferred financing payments | | (9) |
| Dividends paid to common stockholders | (43) | (43) |
| Distributions to noncontrolling interests | (17) | (10) |
| Collection of note receivable from redeemable noncontrolling interest | 11 | |
| Contributions from redeemable noncontrolling interests | 18 | 18 |
| Other, net | 9 | (3) |
| Net cash provided by (used in) financing activities | <u>(56)</u> | <u>189</u> |
| Net increase (decrease) in cash, cash equivalents and restricted cash | <u>(113)</u> | <u>4</u> |
| Cash, cash equivalents and restricted cash - beginning of period | 563 | 442 |
| Effect of exchange rate changes on cash balances | (15) | (6) |
| Cash, cash equivalents and restricted cash - end of period | <u>\$ 435</u> | <u>\$ 440</u> |

DANA INCORPORATED
Reconciliation of Net Cash Provided By Operating Activities to Free Cash Flow (Unaudited)

| (In millions) | Three Months Ended September 30, | |
|--|-------------------------------------|---------------|
| | 2024 | 2023 |
| Net cash provided by operating activities | \$ 35 | \$ 112 |
| Purchases of property, plant and equipment | (46) | (117) |
| Free cash flow | \$ (11) | \$ (5) |

| (In millions) | Nine Months Ended September 30, | |
|--|------------------------------------|-----------------|
| | 2024 | 2023 |
| Net cash provided by operating activities | \$ 148 | \$ 198 |
| Purchases of property, plant and equipment | (227) | (359) |
| Free cash flow | \$ (79) | \$ (161) |

DANA INCORPORATED
Segment Sales and Segment EBITDA (Unaudited)
For the Three Months Ended September 30, 2024 and 2023

| (In millions) | Three Months Ended September 30, | |
|--|-------------------------------------|-----------------|
| | 2024 | 2023 |
| Sales | | |
| Light Vehicle | \$ 1,033 | \$ 1,084 |
| Commercial Vehicle | 494 | 535 |
| Off-Highway | 627 | 739 |
| Power Technologies | 322 | 311 |
| Total Sales | \$2,476 | \$ 2,669 |
| Segment EBITDA | | |
| Light Vehicle | \$ 78 | \$ 75 |
| Commercial Vehicle | 26 | 29 |
| Off-Highway | 103 | 110 |
| Power Technologies | 26 | 28 |
| Total Segment EBITDA | 233 | 242 |
| Corporate expense and other items, net | (1) | |
| Adjusted EBITDA | \$ 232 | \$ 242 |

DANA INCORPORATED
Segment Sales and Segment EBITDA (Unaudited)
For the Nine Months Ended September 30, 2024 and 2023

| (In millions) | Nine Months Ended September 30, | |
|--|------------------------------------|----------------|
| | 2024 | 2023 |
| Sales | | |
| Light Vehicle | \$3,263 | \$3,112 |
| Commercial Vehicle | 1,545 | 1,583 |
| Off-Highway | 2,154 | 2,423 |
| Power Technologies | 987 | 943 |
| Total Sales | <u>\$7,949</u> | <u>\$8,061</u> |
| Segment EBITDA | | |
| Light Vehicle | \$ 229 | \$ 190 |
| Commercial Vehicle | 66 | 74 |
| Off-Highway | 334 | 359 |
| Power Technologies | 75 | 70 |
| Total Segment EBITDA | <u>704</u> | <u>693</u> |
| Corporate expense and other items, net | (5) | (4) |
| Adjusted EBITDA | <u>\$ 699</u> | <u>\$ 689</u> |

DANA INCORPORATED
Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited)
For the Three Months Ended September 30, 2024 and 2023

| (In millions) | Three Months Ended September 30, | |
|---|-------------------------------------|---------------|
| | 2024 | 2023 |
| Segment EBITDA | \$ 233 | \$ 242 |
| Corporate expense and other items, net | (1) | (1) |
| Adjusted EBITDA | 232 | 242 |
| Depreciation | (97) | (101) |
| Amortization | (5) | (6) |
| Non-service cost components of pension and OPEB costs | (8) | (4) |
| Restructuring charges, net | (24) | (17) |
| Stock compensation expense | (7) | (5) |
| Strategic transaction expenses | (1) | (2) |
| Loss on sale of property, plant and equipment | | (1) |
| Distressed supplier costs | | (14) |
| Adjustment of loss on disposal group previously held for sale | 4 | |
| Other items | (6) | (1) |
| Earnings before interest and income taxes | 88 | 91 |
| Interest income | 4 | 5 |
| Interest expense | 40 | 41 |
| Earnings before income taxes | 52 | 55 |
| Income tax expense | 43 | 33 |
| Equity in earnings of affiliates | 2 | 3 |
| Net income | \$ 11 | \$ 25 |

DANA INCORPORATED
Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited)
For the Nine Months Ended September 30, 2024 and 2023

| (In millions) | Nine Months Ended September 30, | |
|---|------------------------------------|---------------|
| | 2024 | 2023 |
| Segment EBITDA | \$ 704 | \$ 693 |
| Corporate expense and other items, net | (5) | (4) |
| Adjusted EBITDA | 699 | 689 |
| Depreciation | (304) | (287) |
| Amortization | (16) | (17) |
| Non-service cost components of pension and OPEB costs | (14) | (10) |
| Restructuring charges, net | (41) | (21) |
| Stock compensation expense | (21) | (19) |
| Strategic transaction expenses | (5) | (4) |
| Loss on sale of property, plant and equipment | (5) | (1) |
| Distressed supplier costs | | (26) |
| Loss on disposal group previously held for sale | (26) | |
| Other items | (5) | 1 |
| Earnings before interest and income taxes | 262 | 305 |
| Loss on extinguishment of debt | | (1) |
| Interest income | 10 | 14 |
| Interest expense | 118 | 114 |
| Earnings before income taxes | 154 | 204 |
| Income tax expense | 134 | 118 |
| Equity in earnings of affiliates | 7 | 6 |
| Net income | \$ 27 | \$ 92 |

DANA INCORPORATED
Reconciliation of Net Income Attributable to the Parent Company to Adjusted Net Income Attributable to the Parent Company and Diluted
Adjusted EPS (Unaudited)
For the Three Months Ended September 30, 2024 and 2023

| (In millions, except per share amounts) | Three Months Ended | |
|---|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Net income attributable to the parent company | \$ 4 | \$ 19 |
| Items impacting income before income taxes: | | |
| Amortization | 5 | 5 |
| Restructuring charges, net | 24 | 17 |
| Strategic transaction expenses | 1 | 2 |
| Distressed supplier costs | | 14 |
| Adjustment of loss on disposal group previously held for sale | (4) | |
| Other items | 3 | 2 |
| Items impacting income taxes: | | |
| Net income tax expense on items above | (15) | (16) |
| Adjusted net income attributable to the parent company | <u>\$ 18</u> | <u>\$ 43</u> |
| Diluted shares - as reported | 145.1 | 144.7 |
| Adjusted diluted shares | 145.1 | 144.7 |
| Diluted adjusted EPS | \$ 0.12 | \$ 0.30 |

DANA INCORPORATED
Reconciliation of Net Income Attributable to the Parent Company to Adjusted Net Income Attributable to the Parent Company and Diluted
Adjusted EPS (Unaudited)
For the Nine Months Ended September 30, 2024 and 2023

| (In millions, except per share amounts) | Nine Months Ended | |
|---|-------------------|---------------|
| | September 30 | |
| | 2024 | 2023 |
| Net income attributable to the parent company | \$ 23 | \$ 77 |
| Items impacting income before income taxes: | | |
| Amortization | 15 | 15 |
| Restructuring charges, net | 41 | 21 |
| Strategic transaction expenses | 5 | 4 |
| Distressed supplier costs | | 26 |
| Loss on disposal group previously held for sale | 26 | |
| Other items | | 2 |
| Items impacting income taxes: | | |
| Net income tax expense on items above | (34) | (26) |
| Income tax expense attributable to various discrete tax matters | 24 | 14 |
| Adjusted net income attributable to the parent company | <u>\$ 100</u> | <u>\$ 133</u> |
| Diluted shares - as reported | 145.0 | 144.5 |
| Adjusted diluted shares | 145.0 | 144.5 |
| Diluted adjusted EPS | \$ 0.69 | \$ 0.92 |



2024 Third-Quarter Earnings Conference Call

October 30, 2024

Value Others | Inspire Innovation | Grow Responsibly | Win Together

Safe Harbor Statement



Certain statements and projections contained in this presentation are, by their nature, forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on our current expectations, estimates and projections about our industry and business, management's beliefs, and certain assumptions made by us, all of which are subject to change. Forward-looking statements can often be identified by words such as "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "may," "will," "should," "would," "could," "potential," "continue," "ongoing," similar expressions, and variations or negatives of these words. These forward-looking statements are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause our actual results to differ materially and adversely from those expressed in any forward-looking statement. Dana's Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K, and other Securities and Exchange Commission filings discuss important risk factors that could affect our business, results of operations and financial condition. The forward-looking statements in this presentation speak only as of this date. Dana does not undertake any obligation to revise or update publicly any forward-looking statement for any reason.

Agenda

Since  1904

120 YEARS



Craig Barber

Senior Director, Investor Relations and Corporate Communications

Introduction

James Kamsickas

Chairman and Chief Executive Officer

Business Review

Timothy Kraus

Senior Vice President and Chief Financial Officer

Financial Review

Highlights



Q3 Financial Results

sales

\$2.5 billion  **\$193 million**
from prior year

adjusted EBITDA

\$232 million  **\$10 million**
from prior year

margin

9.4 percent  **30 bps**
from prior year

Key Highlights

End-market demand

- Further weakening demand for EVs & ICE vehicle programs
- Lower off-highway equipment demand

Company-wide efficiency

- Conversion on traditional organic sales supports full-year margin
- Variable and fixed improvements

Maintained returns on lower market demand

- Maintained FCF guidance
- Lower capex requirements

Company-Wide Efficiency and Cost-Savings Actions Driving Higher Margins

Continuous Margin Improvement

Since **DANA** 1904
120 YEARS



THREE CONSECUTIVE YEARS, CONSISTENT QUARTERLY MARGIN IMPROVEMENT



- Driven by...**
- Differentiating customer satisfaction
 - Company-wide efficiencies
 - Overall business execution

While concurrently establishing...



See appendix for comments regarding the presentation of non-GAAP measures.

Business Environment



2024 End-Market Outlook

| Market | Compared to '23 | Update |
|-------------------|-----------------|--------------------|
| Agriculture | | Softening |
| Construction | | Softening |
| Mining | | No Change |
| Light Truck | | Softening |
| Medium-Duty Truck | | 2nd Half Softening |
| Heavy-Duty Truck | | 2nd Half Softening |

Dana Operating Priorities

- 1 Disciplined approach and balanced growth
- 2 Continue leveraging synergies and scale across all businesses
- 3 Optimize manufacturing capabilities and locations to meet ICE, PHEV, and EV demand
- 4 Prudent use of capital to support new business growth

2025 Early Expectations

Lower Cost Structure



Soft End-Market Demand



Tempered EV Demand



Lamborghini Revuelto



Modular High-Performance Hybrid 8-Speed
Dual-Clutch Transmission and Thermal Management



GRAZIANO

Automotive News

PACE AWARD

2025 FINALIST





Financial Review

DAN
LISTED
NYSE

2024 Q3 and YTD Financial Results



- Lower sales driven by weakening market demand for electric vehicles, commercial trucks, off-highway equipment, and certain light-truck programs, as well as currency impacts and lower commodity recoveries
- Increased production efficiency and company-wide cost improvement actions drove higher profitability
- Adjustment loss on business previously held for sale
- Net income impacted primarily by higher tax expense

| Changes from Prior Year | | | | | | |
|--|----------|----------|-----------|----------|----------|-----------|
| | Q3 '24 | Q3 '23 | Change | YTD '24 | YTD '23 | Change |
| Sales | \$ 2,476 | \$ 2,669 | \$ (193) | \$ 7,949 | \$ 8,061 | \$ (112) |
| Adjusted EBITDA | 232 | 242 | (10) | 699 | 689 | 10 |
| Margin | 9.4% | 9.1% | 30 bps | 8.8% | 8.5% | 30 bps |
| Loss on Business Held for Sale | 4 | | 4 | (26) | | (26) |
| EBIT | 88 | 91 | (3) | 262 | 305 | (43) |
| Interest Expense, Net | 36 | 36 | | 108 | 100 | 8 |
| Income Tax Expense | 43 | 33 | 10 | 134 | 118 | 16 |
| Net Income (attributable to Dana) | 4 | 19 | (15) | 23 | 77 | (54) |
| GAAP Diluted EPS | \$ 0.03 | \$ 0.13 | \$ (0.10) | \$ 0.16 | \$ 0.53 | \$ (0.37) |
| Diluted Adjusted EPS | \$ 0.12 | \$ 0.30 | \$ (0.18) | \$ 0.69 | \$ 0.92 | \$ (0.23) |
| Operating Cash Flow | 35 | 112 | (77) | 148 | 198 | (50) |

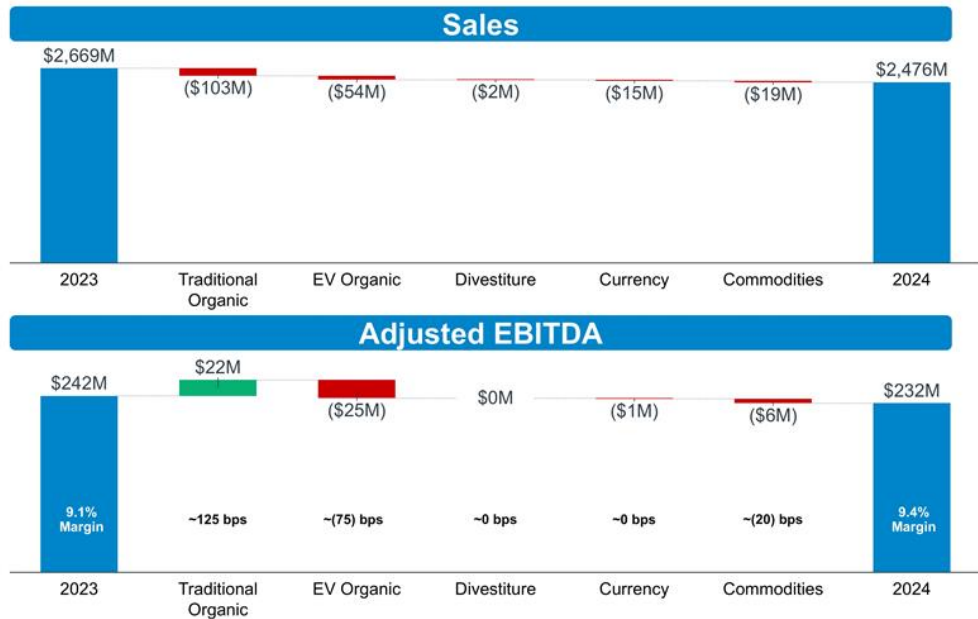
See appendix for comments regarding the presentation of non-GAAP measures

Margin Improvement in Challenging Demand Environment

2024 Q3 Sales and Profit Changes



- Lower organic sales driven by reduced demand, partially offset by new business and market share gains
- Company-wide cost improvement actions drove profit growth despite organic sales headwinds
- Business execution and production efficiency offsetting inflation
- Decreased demand for EVs driving lower sales
- Positive contribution of current EV programs offset by development spending.
- Lower commodity costs resulted in lower sales recoveries; profit benefit of lower input cost is more than offset by the cost true-ups with customers



See appendix for comments regarding the presentation of non-GAAP measures

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Strong Performance Driven by End-to-End Business Execution

2024 Q3 Free Cash Flow



- Higher cash taxes due to timing of payments and jurisdictional mix
- Working capital requirements increased primarily due to higher inventory
- Reduced capital spending required to support new business backlog and replacement business due to a more normal launch cadence and timing of investment for future EV programs

Changes from Prior Year

(\$ in millions)

| | Q3 '24 | Q3 '23 | Change |
|--|---------|--------|---------|
| Adjusted EBITDA | \$ 232 | \$ 242 | \$ (10) |
| One-Time Costs¹ | (9) | (6) | (3) |
| Interest, Net | (43) | (26) | (17) |
| Taxes | (72) | (38) | (34) |
| Working Capital / Other² | (73) | (60) | (13) |
| Capital Spending | (46) | (117) | 71 |
| Free Cash Flow | \$ (11) | \$ (5) | \$ (6) |

¹Includes costs associated with business acquisitions and divestitures and restructuring. ²Changes in working capital relating to interest, taxes, restructuring, and transaction costs are included in those respective categories. See appendix for comments regarding the presentation of non-GAAP measures.

Lower Capital Spending and Continued Focus on Working Capital

- Lower sales driven by lower end-market demand in 2nd half
- Weakening demand for electric vehicles driving lower sales compared to prior outlook
- Company-wide efficiency improvements and cost-savings actions driving higher profit and margins compared to last year
- YOY free cash flow improvement driven by higher profit and lower capital spending

| Guidance Ranges | | | Change from Prior Guide | Change from Prior Year |
|-----------------------|----------------------|--|-------------------------|------------------------|
| Sales | ±\$100M ~\$10,300M | | -\$400M | -\$255M |
| Adjusted EBITDA | ±\$20M ~\$875M | | -\$50M | +\$30M |
| Implied Profit Margin | ~8.4% - 8.6% | | | +50 bps |
| Free Cash Flow | ±\$10M ~\$100M | | | +\$125M |
| Diluted EPS | ±\$0.10 ~\$0.15 | | | -\$0.11 |
| Diluted Adjusted EPS | ±\$0.10 ~\$0.85 | | | +\$0.01 |

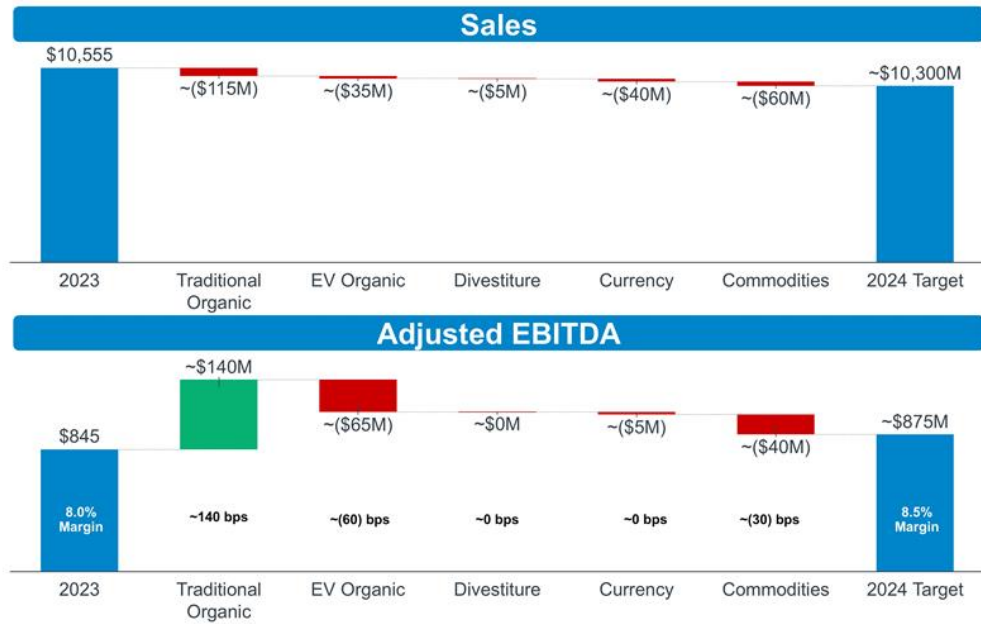
See appendix for comments regarding the presentation of non-GAAP measures

End-to-End Execution and Improved Operating Environment Driving Margin Growth

2024 FY Sales and Profit Changes



- Organic growth impacted by lower end-market demand in 2nd half
- Margin benefiting from improved efficiencies and cost savings actions
- Positive profit contribution on EV sales offset by investment in new program development costs
- Translation of foreign currency expected to be slight headwind to sales
- Lower commodity costs resulting in lower sales recoveries; profit benefit of lower input cost is more than offset by the cost true-ups with customers



See appendix for comments regarding the presentation of non-GAAP measures

Profit Driven by Company-Wide Efficiencies and Cost Savings Actions

2024 FY Free Cash Flow



- Maintaining full-year guidance due to lower capital spending
- Higher profit and lower capital investment requirements driving improvement over last year
- Increase in net interest payments due to higher rates and payment timing from refinancing

Changes from Prior Year

(\$ in millions)

| | <u>2024</u> | <u>2023</u> | <u>Change</u> |
|--|-------------|-------------|---------------|
| Adjusted EBITDA | \$ ~875 | \$ 845 | \$ ~30 |
| One-Time Costs¹ | (40) | (20) | (20) |
| Interest, Net | (150) | (116) | (35) |
| Taxes | (170) | (148) | (20) |
| Working Capital / Other² | (40) | (85) | 45 |
| Capital Spending | (375) | (501) | 125 |
| Free Cash Flow | \$ ~100 | \$ (25) | \$ ~125 |

¹Includes costs associated with business acquisitions and divestitures and restructuring. ²Changes in working capital relating to interest, taxes, restructuring, and transaction costs are included in those respective categories. See appendix for comments regarding the presentation of non-GAAP measures.

Positive Free Cash Flow Driven by Higher Profit, Lower Capex

Appendix



2024 Q3 Sales and Profit Change by Segment



Light Vehicle Drive Systems



Off-Highway Drive and Motion Systems



Commercial Vehicle Drive and Motion Systems



Power Technologies



See appendix for comments regarding the presentation of non-GAAP measures

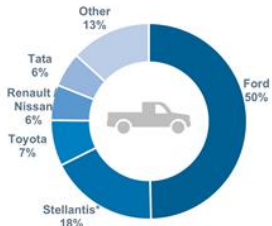
Segment Profiles



CUSTOMER SALES

Light Vehicle Drive Systems

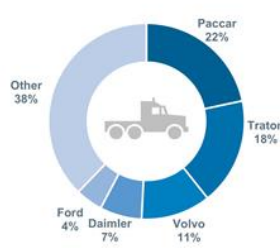
Year to Date 9/30/2024



* Includes sales to systems integrations for driveline products that support Stellantis vehicles

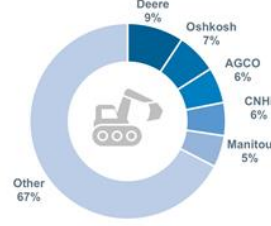
Commercial Vehicle Drive and Motion Systems

Year to Date 9/30/2024



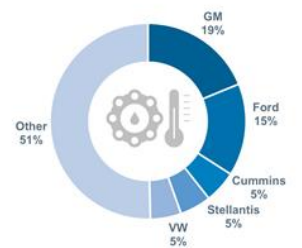
Off-Highway Drive and Motion Systems

Year to Date 9/30/2024

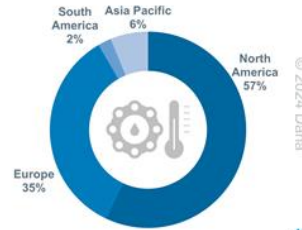
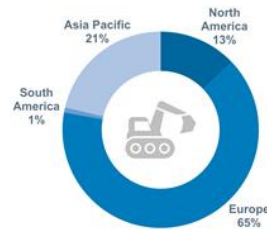


Power Technologies

Year to Date 9/30/2024



REGIONAL SALES



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Diluted Adjusted EPS



DANA INCORPORATED

Reconciliation of Net Income Attributable to the Parent Company to Adjusted Net Income Attributable to the Parent Company and Diluted Adjusted EPS (Unaudited)

For the Three Months Ended September 30, 2024 and 2023

(In millions, except per share amounts)

| | Three Months Ended September 30, | |
|---|-------------------------------------|----------------|
| | 2024 | 2023 |
| Net income attributable to the parent company | \$ 4 | \$ 19 |
| Items impacting income before income taxes: | | |
| Amortization | 5 | 5 |
| Restructuring charges, net | 24 | 17 |
| Strategic transaction expenses | 1 | 2 |
| Distressed supplier costs | | 14 |
| Adjustment of loss on disposal group previously held for sale | (4) | |
| Other items | 3 | 2 |
| Items impacting income taxes: | | |
| Net income tax expense on items above | (15) | (16) |
| Adjusted net income attributable to the parent company | \$ 18 | \$ 43 |
| Diluted shares - as reported | 145.1 | 144.7 |
| Adjusted diluted shares | 145.1 | 144.7 |
| Diluted adjusted EPS | \$ 0.12 | \$ 0.30 |

DANA INCORPORATED

Reconciliation of Net Income Attributable to the Parent Company to Adjusted Net Income Attributable to the Parent Company and Diluted Adjusted EPS (Unaudited)

For the Nine Months Ended September 30, 2024 and 2023

(In millions, except per share amounts)

| | Nine Months Ended September 30, | |
|---|------------------------------------|----------------|
| | 2024 | 2023 |
| Net income attributable to the parent company | \$ 23 | \$ 77 |
| Items impacting income before income taxes: | | |
| Amortization | 15 | 15 |
| Restructuring charges, net | 41 | 21 |
| Strategic transaction expenses | 5 | 4 |
| Distressed supplier costs | | 26 |
| Loss on disposal group previously held for sale | 26 | |
| Other items | | 2 |
| Items impacting income taxes: | | |
| Net income tax expense on items above | (34) | (26) |
| Income tax expense attributable to various discrete tax matters | 24 | 14 |
| Adjusted net income attributable to the parent company | \$ 100 | \$ 133 |
| Diluted shares - as reported | 145.0 | 144.5 |
| Adjusted diluted shares | 145.0 | 144.5 |
| Diluted adjusted EPS | \$ 0.69 | \$ 0.92 |

Segment Data



DANA INCORPORATED
Segment Sales and Segment EBITDA (Unaudited)
For the Three Months Ended September 30, 2024 and 2023

| (In millions) | Three Months Ended September 30, | |
|--|-------------------------------------|-----------------|
| | 2024 | 2023 |
| Sales | | |
| Light Vehicle | \$ 1,033 | \$ 1,084 |
| Commercial Vehicle | 494 | 535 |
| Off-Highway | 627 | 739 |
| Power Technologies | 322 | 311 |
| Total Sales | \$ 2,476 | \$ 2,669 |
| Segment EBITDA | | |
| Light Vehicle | \$ 78 | \$ 75 |
| Commercial Vehicle | 26 | 29 |
| Off-Highway | 103 | 110 |
| Power Technologies | 26 | 28 |
| Total Segment EBITDA | 233 | 242 |
| Corporate expense and other items, net | (1) | |
| Adjusted EBITDA | \$ 232 | \$ 242 |

DANA INCORPORATED
Segment Sales and Segment EBITDA (Unaudited)
For the Nine Months Ended September 30, 2024 and 2023

| (In millions) | Nine Months Ended September 30, | |
|--|------------------------------------|-----------------|
| | 2024 | 2023 |
| Sales | | |
| Light Vehicle | \$ 3,263 | \$ 3,112 |
| Commercial Vehicle | 1,545 | 1,583 |
| Off-Highway | 2,154 | 2,423 |
| Power Technologies | 987 | 943 |
| Total Sales | \$ 7,949 | \$ 8,061 |
| Segment EBITDA | | |
| Light Vehicle | \$ 229 | \$ 190 |
| Commercial Vehicle | 66 | 74 |
| Off-Highway | 334 | 359 |
| Power Technologies | 75 | 70 |
| Total Segment EBITDA | 704 | 693 |
| Corporate expense and other items, net | (5) | (4) |
| Adjusted EBITDA | \$ 699 | \$ 689 |

Segment Data Continued



DANA INCORPORATED

Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited) For the Three Months Ended September 30, 2024 and 2023

| (In millions) | Three Months Ended September 30, | |
|---|-------------------------------------|--------|
| | 2024 | 2023 |
| Segment EBITDA | \$ 233 | \$ 242 |
| Corporate expense and other items, net | (1) | |
| Adjusted EBITDA | 232 | 242 |
| Depreciation | (97) | (101) |
| Amortization | (5) | (6) |
| Non-service cost components of pension and OPEB costs | (8) | (4) |
| Restructuring charges, net | (24) | (17) |
| Stock compensation expense | (7) | (5) |
| Strategic transaction expenses | (1) | (2) |
| Loss on sale of property, plant and equipment | | (1) |
| Distressed supplier costs | | (14) |
| Adjustment of loss on disposal group previously held for sale | 4 | |
| Other items | (6) | (1) |
| Earnings before interest and income taxes | 88 | 91 |
| Interest income | 4 | 5 |
| Interest expense | 40 | 41 |
| Earnings before income taxes | 52 | 55 |
| Income tax expense | 43 | 33 |
| Equity in earnings of affiliates | 2 | 3 |
| Net income | \$ 11 | \$ 25 |

DANA INCORPORATED

Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited) For the Nine Months Ended September 30, 2024 and 2023

| (In millions) | Nine Months Ended September 30, | |
|---|------------------------------------|--------|
| | 2024 | 2023 |
| Segment EBITDA | \$ 704 | \$ 693 |
| Corporate expense and other items, net | (5) | (4) |
| Adjusted EBITDA | 699 | 689 |
| Depreciation | (304) | (287) |
| Amortization | (16) | (17) |
| Non-service cost components of pension and OPEB costs | (14) | (10) |
| Restructuring charges, net | (41) | (21) |
| Stock compensation expense | (21) | (19) |
| Strategic transaction expenses | (5) | (4) |
| Loss on sale of property, plant and equipment | (5) | (1) |
| Distressed supplier costs | | (26) |
| Loss on disposal group previously held for sale | (26) | |
| Other items | (5) | 1 |
| Earnings before interest and income taxes | 262 | 305 |
| Loss on extinguishment of debt | | (1) |
| Interest income | 10 | 14 |
| Interest expense | 118 | 114 |
| Earnings before income taxes | 154 | 204 |
| Income tax expense | 134 | 118 |
| Equity in earnings of affiliates | 7 | 6 |
| Net income | \$ 27 | \$ 92 |

DANA INCORPORATED
Reconciliation of Net Cash Provided By Operating Activities to
Free Cash Flow (Unaudited)

| (In millions) | Three Months Ended | |
|--|--------------------|---------------|
| | September 30, | |
| | 2024 | 2023 |
| Net cash provided by operating activities | \$ 35 | \$ 112 |
| Purchases of property, plant and equipment | (46) | (117) |
| Free cash flow | <u>\$ (11)</u> | <u>\$ (5)</u> |

| (In millions) | Nine Months Ended | |
|--|-------------------|-----------------|
| | September 30, | |
| | 2024 | 2023 |
| Net cash provided by operating activities | \$ 148 | \$ 198 |
| Purchases of property, plant and equipment | (227) | (359) |
| Free cash flow | <u>\$ (79)</u> | <u>\$ (161)</u> |

Non-GAAP Financial Information



Adjusted EBITDA is a non-GAAP financial measure which we have defined as net income (loss) before interest, income taxes, depreciation, amortization, equity grant expense, restructuring expense, non-service cost components of pension and other postretirement benefit costs and other adjustments not related to our core operations (gain/loss on debt extinguishment, pension settlements, divestitures, impairment, etc.). Adjusted EBITDA is a measure of our ability to maintain and continue to invest in our operations and provide shareholder returns. We use adjusted EBITDA in assessing the effectiveness of our business strategies, evaluating and pricing potential acquisitions and as a factor in making incentive compensation decisions. In addition to its use by management, we also believe adjusted EBITDA is a measure widely used by securities analysts, investors and others to evaluate financial performance of our company relative to other Tier 1 automotive suppliers. Adjusted EBITDA should not be considered a substitute for earnings (loss) before income taxes, net income (loss) or other results reported in accordance with GAAP. Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

Adjusted net income (loss) attributable to the parent company is a non-GAAP financial measure which we have defined as net income (loss) attributable to the parent company, excluding any discrete income tax items, restructuring charges, amortization expense and other adjustments not related to our core operations (as used in adjusted EBITDA), net of any associated income tax effects. This measure is considered useful for purposes of providing investors, analysts and other interested parties with an indicator of ongoing financial performance that provides enhanced comparability to net income (loss) attributable to the parent company reported by other companies. Adjusted net income (loss) attributable to the parent company is neither intended to represent nor be an alternative measure to net income (loss) attributable to the parent company reported in accordance with GAAP.

Diluted adjusted EPS is a non-GAAP financial measure which we have defined as adjusted net income (loss) attributable to the parent company divided by adjusted diluted shares. We define adjusted diluted shares as diluted shares as determined in accordance with GAAP based on adjusted net income (loss) attributable to the parent company. This measure is considered useful for purposes of providing investors, analysts and other interested parties with an indicator of ongoing financial performance that provides enhanced comparability to EPS reported by other companies. Diluted adjusted EPS is neither intended to represent nor be an alternative measure to diluted EPS reported in accordance with GAAP.

Free cash flow is a non-GAAP financial measure which we have defined as net cash provided by (used in) operating activities less purchases of property, plant and equipment. We believe free cash flow is useful to investors in evaluating the operational cash flow of the company inclusive of the spending required to maintain the operations. Free cash flow is not intended to represent nor be an alternative to the measure of net cash provided by (used in) operating activities reported in accordance with GAAP. Free cash flow may not be comparable to similarly titled measures reported by other companies.

The accompanying financial information provides reconciliations of adjusted EBITDA, diluted adjusted EPS and free cash flow to the most directly comparable financial measures calculated and presented in accordance with GAAP. We have not provided a reconciliation of our adjusted EBITDA and diluted adjusted EPS outlook to the most comparable GAAP measures of net income (loss) and diluted EPS. Providing net income (loss) and diluted EPS guidance is potentially misleading and not practical given the difficulty of projecting event driven transactional and other non-core operating items that are included in net income (loss) and diluted EPS, including restructuring actions, asset impairments and certain income tax adjustments. The accompanying reconciliations of these non-GAAP measures with the most comparable GAAP measures for the historical 22 periods presented are indicative of the reconciliations that will be prepared upon completion of the periods covered by the non-GAAP guidance.



People Finding A Better Way®

